



STATE OF WISCONSIN Division of Hearings and Appeals

In the Matter of

Vernon County Human Services, Petitioner

vs.

██████████, Respondent

DECISION

Case #: FOF - 206547

Pursuant to petition filed October 12, 2022, under Wis. Admin. Code §HA 3.03, and 7 C.F.R. § 273.16, to review a decision by the Vernon County Human Services to disqualify ██████████ from receiving FoodShare benefits (FS) for a period of one year, a hearing by telephone was scheduled for November 30, 2022. At that time, ALJ Duren presided. The ALJ granted respondent's request to reschedule the hearing. By notice dated December 7, 2022, the hearing was rescheduled for January 31, 2023. Prior to the new hearing date, the case was reassigned to the underlying ALJ.

The issue for determination is whether the respondent committed an Intentional Program Violation (IPV).

There appeared at that time the following persons:

PARTIES IN INTEREST:

Petitioner:

Vernon County Human Services
318 Fairlane Drive, Suite 100
Viroqua, WI 54665-6131

Respondent:

██████████
██████████
██████████

ADMINISTRATIVE LAW JUDGE:

Jason M. Grace
Division of Hearings and Appeals

FINDINGS OF FACT

1. The respondent (CARES # ██████████) is a resident of NA who received FS benefits in Vernon County July, 2019 through January 31, 2022.

2. On June 14, 2019, respondent submitted an ACCESS Application for FS and health care as a household of one. She electronically signed the application verifying the information was complete and accurate. By signing the application she attested to understanding the statements in the application which included a FS Penalty Warning. The Penalty Warning indicated, in part, that a person who intentionally breaks a FS rule can be barred from the program for 12 months for a first violation. Exhibit A.
3. On or about July 16, 2019, respondent and her adult daughter ■ were involved in a telephone call with the FS agency. During that call it was indicated that respondent and ■ live together and purchase and prepare meals together. As a result, the FS agency added ■ to respondent's FS household. Testimony of agency representative.
4. On December 28, 2019, respondent submitted an ACCESS Six Month Report Form (SMRF). She reported her household consisted of herself and ■. Income for the household was reported to be social security received by respondent and other income received by ■ in the amount of \$300.00/month. Respondent electronically signed the document certifying under penalty of perjury and false swearing that the information was correct and complete to the best of her knowledge. Exhibit D.
5. On May 11, 2020, an About Your Benefits letter was sent to respondent. It indicated that she and ■ were receiving FS benefits in the amount of \$285.00/month. The notice further indicated that the agency had on file income for the household consisting of \$866.78/month for respondent in the form of SSI and \$300.00/month of other income received by ■. She was further informed to report by the 10th day of the following month if household income before taxes exceeded \$1,832.00. Exhibit H.
6. On September 8, 2020, an About Your Benefits letter was sent to respondent. It indicated that she and ■ were receiving FS benefits in the amount of \$306.00/month. The notice further indicated that the agency had on file income for the household consisting of \$866.78/month for respondent in the form of SSI and \$300.00/month of other income received by ■. She was further informed to report by the 10th day of the following month if household income before taxes exceeded \$1,868.00. Exhibit J.
7. On May 18, 2021, respondent submitted an ACCESS FS Renewal. She reported her household consisted of herself and ■. Income for the household was reported to be social security received by respondent and "other income" received by ■ in the amount of \$300.00/month. Respondent electronically signed the document certifying under penalty of perjury and false swearing that the information was correct and complete to the best of her knowledge. Exhibit K.
8. A FS interview occurred on May 18, 2021. It was confirmed the case was a household of 2, consisting of respondent and ■. It was indicated there was no employment or self-employment income, and that the household income consisted of SSI received by respondent and other income received by ■ in the amount of \$300.00/month. Exhibit I.
9. On October 29, 2021, respondent submitted an ACCESS FS SMRF. She reported her household consisted of herself and ■. Income for the household was reported to be social security received by respondent and other income received by ■ in the amount of \$300.00/month. Respondent electronically signed the document certifying under penalty of perjury and false swearing that the information was correct and complete to the best of her knowledge. Exhibit M.
10. On November 18, 2021, an About Your Benefits letter was sent to respondent. It indicated that she and ■ were receiving FS benefits in the amount of \$391.00/month. The notice further indicated that the agency had on file income for the household consisting of \$877.78/month for respondent in the form of

SSI and \$300.00/month of other income received by [REDACTED]. She was further informed to report within 10 days if there was a change in income. Exhibit N.

11. The FS agency later received a SWICA Match that indicated [REDACTED] had unreported earned income from [REDACTED] as follows:

- 4th Quarter 2019 (Oct, Nov, Dec): \$6,207.28 = \$2,069.09/month average
- 1st Quarter 2020 (Jan, Feb, March): \$8,131.62 = \$2,710.54/month average
- 2nd Quarter 2020 (Apr, May, June): \$8,570.59 = \$2,856.58/month average
- 3rd Quarter 2020 (July, Aug, Sept): \$10,708.90 = \$3,569.63/month average
- 4th Quarter 2020 (Oct, Nov, Dec): \$12,217.31 = \$4,072.44/month average
- 1st Quarter 2021 (Jan, Feb, March): \$13,112.77 = \$4,370.92/month average
- 2nd Quarter 2021 (Apr, May, June): \$13,856.21 = \$4,618.74/month average
- 3rd Quarter 2021 (July, Aug, Sept): \$18,620.51 = \$6,206.84/month average
- 4th Quarter 2021 (Oct, Nov, Dec): \$15,959.71 = \$5,319.90/month average

Exhibit O.

12. On December 7, 2022, the petitioner prepared an Administrative Disqualification Hearing Notice alleging that respondent violated FS rules by failing to report income for [REDACTED] from [REDACTED] during Renewals or SMRFS on December 28, 2019; May 18, 2021; and October 29, 2021.

13. The respondent failed to appear for the scheduled January 31, 2023 Intentional Program Violation (IPV) hearing and did not provide any good cause for said failure to appear.

DISCUSSION

An intentional program violation of the FoodShare program occurs when a recipient intentionally does the following:

1. makes a false or misleading statement, or misrepresents, conceals or withholds facts;
or
2. commits any act that constitutes a violation of the Food Stamp Act, the Food Stamp Program Regulations, or any Wisconsin statute for the purpose of using, presenting, transferring, acquiring, receiving, possessing or trafficking of FoodShare benefits or QUEST cards.

FoodShare Wisconsin Handbook, § 3.14.1; *see also* 7 C.F.R. § 273.16(c) and Wis. Stat. §§ 946.92(2).

An intentional program violation can be proven by a court order, a diversion agreement entered into with the local district attorney, a waiver of a right to a hearing, or an administrative disqualification hearing, *FoodShare Wisconsin Handbook*, § 3.14.1. The petitioner can disqualify only the individual found to have committed the intentional violation; it cannot disqualify the entire household. Those disqualified on grounds involving the improper transfer of FS benefits are ineligible to participate in the FoodShare program for one year for the first violation, two years for the second violation, and permanently for the third violation. Although other family members cannot be disqualified, their monthly allotments will be reduced unless they agree to make restitution within 30 days of the date that the FS program mails a written demand letter. 7 C.F.R. § 273.16(b).

7 C.F.R. §273.16(e)(4) provides that the hearing shall proceed if the respondent cannot be located or fails to appear without good cause. The respondent did not appear or claim a good cause reason for not attending the

hearing. Therefore, I must determine whether the respondent committed an IPV based solely on the evidence that the petitioner presented at hearing.

In order for the petitioner to establish that an FS recipient has committed an IPV, it has the burden to prove two separate elements by clear and convincing evidence. The recipient must have: 1) committed; and 2) intended to commit a program violation per 7 C.F.R. § 273.16(e)(6). In *Kuehn v. Kuehn*, 11 Wis.2d 15 (1959), the court held that:

Defined in terms of quantity of proof, reasonable certitude or reasonable certainty in ordinary civil cases may be attained by or be based on a mere or fair preponderance of the evidence. Such certainty need not necessarily exclude the probability that the contrary conclusion may be true. In fraud cases it has been stated the preponderance of the evidence should be clear and satisfactory to indicate or sustain a greater degree of certitude. Such degree of certitude has also been defined as being produced by clear, satisfactory, and convincing evidence. Such evidence, however, need not eliminate a reasonable doubt that the alternative or opposite conclusion may be true. ...

Kuehn, 11 Wis.2d at 26.

Wisconsin Jury Instruction – Civil 205 is also instructive. It provides:

Clear, satisfactory and convincing evidence is evidence which when weighed against that opposed to it clearly has more convincing power. It is evidence which satisfies and convinces you that “yes” should be the answer because of its greater weight and clear convincing power. “Reasonable certainty” means that you are persuaded based upon a rational consideration of the evidence. Absolute certainty is not required, but a guess is not enough to meet the burden of proof. This burden of proof is known as the “middle burden.” The evidence required to meet this burden of proof must be more convincing than merely the greater weight of the credible evidence but may be less than beyond a reasonable doubt.

Further, the *McCormick* treatise states that “it has been persuasively suggested that [the clear and convincing evidence standard of proof] could be more simply and intelligibly translated to the jury if they were instructed that they must be persuaded that the truth of the contention is highly probable.” 2 *McCormick on Evidence* § 340 (John W. Strong gen. ed., 4th ed. 1992).

Thus, in order to find that an IPV was committed, the trier of fact must derive from the evidence a firm conviction as to the existence of each of the two elements even though there may be a reasonable doubt as to their existence.

In order to prove the second element, i.e., intention, there must be clear and convincing evidence that the FS recipient intended to commit the IPV. The question of intent is generally one to be determined by the trier of fact. *State v. Lossman*, 118 Wis.2d 526 (1984). There is a general rule that a person is presumed to know and intend the probable and natural consequences of his or her own voluntary words or acts. See, *John F. Jelke Co. v. Beck*, 208 Wis. 650 (1932); 31A C.J.S. Evidence §131. Intention is a subjective state of mind to be determined upon all the facts. *Lecus v. American Mut. Ins. Co. of Boston*, 81 Wis.2d 183 (1977). Thus, there must be clear and convincing evidence that the FS recipient knew that the act or omission was a violation of the FS Program but committed the violation anyway.

In this case, respondent did not appear at the hearing. If the person suspected of the IPV (or his or her representative) cannot be located or fails to appear without good cause the hearing must be conducted without the IPV suspect being represented. 7 C.F.R. 273.16(e)(4).

"If the household member or its representative cannot be located or fails to appear at a hearing initiated by the State agency without good cause, the hearing shall be conducted without the household member being represented. Even though the household member is not represented, the

hearing official is required to carefully consider the evidence and determine if intentional Program violation was committed based on clear and convincing evidence. If the household member is found to have committed an intentional Program violation but a hearing official later determines that the household member or representative had good cause for not appearing, the previous decision shall no longer remain valid and the State agency shall conduct a new hearing. The hearing official who originally ruled on the case may conduct the new hearing. In instances where good cause for failure to appear is based upon a showing of nonreceipt of the hearing notice . . . , the household member has 30 days after the date of the written notice of the hearing decision to claim good cause for failure to appear. In all other instances, the household member has 10 days from the date of the scheduled hearing to present reasons indicating a good cause for failure to appear. A hearing official must enter the good cause decision into the record." 7 C.F.R. § 273.16(e)(4) (2011).

The respondent did not present a good cause reason for failing to appear at the hearing. Therefore, the determination of whether respondent committed an FS IPV must be based solely on what the petitioner presented at the hearing.

FS is a means-tested program based upon household size, allowed expense deductions, and household income. As noted above, a FS recipient commits an Intentional Program Violation by intentionally making a false or misleading statement or misrepresents or withholds facts in order to receive FS benefits. See, Wisconsin FoodShare Handbook, § 3.14.1; Wis. Stat. § 946.92(2); and 7 C.F.R. § 273.16(c). FS applicants and recipients are required to accurately report household income and employment to the FS agency. Wis. Stat. § 946.92(2).

Based upon the record before me, I find that the petitioner has established by clear and convincing evidence that the respondent intentionally violated FS program rules, and that this violation was the first such violation committed by the respondent. Therefore, the petitioner correctly seeks to disqualify the respondent from the FS program for one year.

CONCLUSIONS OF LAW

1. The respondent violated, and intended to violate, 7 C.F.R. § 273.16(c) and Wis. Stat. § 946.92(2).
2. The agency properly seeks to disqualify respondent from the FoodShare program for a period of one year pursuant to 7 C.F.R. §273.16(b)(1).

NOW, THEREFORE, it is ORDERED

That the petitioner's determination is sustained, and that the petitioner may make a finding that the respondent committed a first IPV of the FoodShare program and disqualify the respondent from the program for one year, effective the first month following the date of receipt of this decision.

REQUEST FOR A REHEARING ON GROUNDS OF GOOD CAUSE FOR FAILURE TO APPEAR

In instances where the good cause for failure to appear is based upon a showing of non-receipt of the hearing notice, the respondent has 30 days after the date of the written notice of the hearing decision to claim good cause for failure to appear. See 7 C.F.R. sec. 273.16(e)(4). Such a claim should be made in writing to the Division of Hearings and Appeals, P.O. Box 7875, Madison, WI 53707-7875.

APPEAL TO COURT

You may also appeal this decision to Circuit Court in the county where you live. Appeals must be filed with the Court **and** served either personally or by certified mail on the Secretary of the Department of Health Services, 1 West Wilson Street, Room 651, Madison, WI 53703, **and** on those identified in this decision as “PARTIES IN INTEREST” **no more than 30 days after the date of this decision** or 30 days after a denial of a timely rehearing request (if you request one).

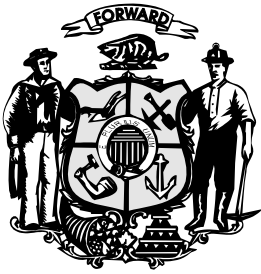
The process for Circuit Court Appeals may be found at Wis. Stat. §§ 227.52 and 227.53. A copy of the statutes may be found online or at your local library or courthouse.

Given under my hand at the City of Madison,
Wisconsin, this 1st day of February, 2023



\sJason M. Grace
Administrative Law Judge
Division of Hearings and Appeals

c: Western Region For Economic Assistance - email
Public Assistance Collection Unit - email
Division of Health Care Access and Accountability - email
Tonia Hanson - email



State of Wisconsin\DIVISION OF HEARINGS AND APPEALS

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The preceding decision was sent to the following parties on February 1, 2023.

Vernon County Human Services
Public Assistance Collection Unit
Division of Health Care Access and Accountability
[REDACTED]